



Join us the second Thursday of every month for a series of "brown bag" seminars, sponsored by the National Renewable Energy Laboratory and the U.S. Department of Energy. Each seminar is held at NREL's Washington office with a videoconference link to Golden, Colorado. Topics focus on new and innovative renewable energy and energy analysis strategies, models, and technologies.



## Allocation of CO<sub>2</sub> Emission Allowances in the Regional Greenhouse Gas Cap-and-Trade Program

*A "brown bag" analytical seminar series*

**Karen Palmer**, Darius Gaskins Research Fellow  
Resources for the Future

**Thursday, September 8, 2005**

**Noon – 1 p.m. (in Washington, D.C.)**

**10 – 11 a.m. (videoconference in Golden, Colo.)**

The Regional Greenhouse Gas Initiative (RGGI) is an effort by nine Northeastern and Mid-Atlantic states to develop a regional, mandatory, market-based cap-and-trade program to reduce greenhouse gas emissions. A model rule is expected this year (2005) that initially would launch a program to reduce carbon dioxide (CO<sub>2</sub>) emissions from the electric-power sector. One of the most important and contentious features in designing an emissions-trading program is how allowances are initially distributed. Using the Resources for the Future (RFF) electricity-market model, Dallas Burtraw, Karen Palmer, and Danny Kahn show that different approaches to initial allocation affect electricity price, the mix of generation, emissions of conventional pollutants inside and outside the RGGI region, as well as the social cost of the program. In this presentation, Palmer will review the results of this analysis and discuss RFF's work to examine the effect of different approaches to distributing allowances within the regional trading program on the net present value of generation assets, inside and outside the region.

**Karen Palmer** is the Darius Gaskins Senior Fellow at Resources for the Future (RFF). She has a Ph.D. in economics from Boston College. Palmer's research interests include the environmental and economic consequences of environmental and regulatory policies in the electricity sector and the cost-effectiveness of environmental regulation. Palmer coauthored *Alternating Currents: Electricity Markets and Public Policy*, which examines the complex economic and regulatory policy issues raised by the restructuring of the electricity industry. She also spent six months as a visiting economist in the Office of Economic Policy at the Federal Energy Regulatory Commission.



**Karen Palmer**

### Golden, Colo., information

1617 Cole Blvd., Golden, Colorado  
Building 15, Conference Room 375

Please contact Lynne Fenn at [lynne\\_fenn@nrel.gov](mailto:lynne_fenn@nrel.gov) or 303-384-7439

### Washington, D.C., information

901 D Street SW (also the Aerospace Building, 370 L'Enfant Promenade), adjacent to the Forrestal Building

Please contact Wanda Addison at [wanda\\_addison@nrel.gov](mailto:wanda_addison@nrel.gov) or 202-646-5278

If you are interested in participating in the seminar via conference call, please contact Wanda Addison at [wanda\\_addison@nrel.gov](mailto:wanda_addison@nrel.gov) or 202-646-5278 for instructions.

